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SUBJECT: IN SALAH-AD-DIN, BUILDING PROVINCIAL CAPACITY
THROUGH ECONOMIC DEVELOPMENT

11. (U) This is a Salah Ad Din Provincial Reconstruction Team (PRT) message.

12. (U) SUMMARY. Salah ad Din PRT is fostering economic development in the province through banking and agriculture initiatives. The PRT supports the expansion of private banking by facilitating the opening of Al-Warka Bank branches on U.S. military bases in Balad and Tikrit. In addition, PRT agriculture initiatives include the introduction of new technology including hoop houses and no-till drills. Local farmers are increasingly embracing this new technology as a direct result of engagement by the agriculture experts on the PRT's economics team. END SUMMARY.

13. (U) The PRT's economics team has been promoting and supporting a number of significant efforts throughout the province in the areas of banking and agriculture. These activities are marking a distinct turn away from merely promoting discrete projects to establishing and building Iraqi capacity in key areas of a largely broken economy. These initiatives have the potential to be key steps toward mending economic and agricultural processes that will help establish a base to begin growing a provincial economy.

NEW BANKING OPPORTUNITIES

14. (U) A branch office of Al-Warka Bank recently opened at Joint Base Balad/Anaconda Air Force Base in Balad and a second is set to open in the next two months at Contingency Operating Base (COB) Speicher, where the PRT is housed, near Tikrit. Both branches are based in the Iraqi-Based Industrial Zones (IBIZ), areas at each base designated for Iraqi enterprises to service the needs of the base and surrounding areas. Al-Warka Bank will provide electronic fund transfers to base workers and credit card authorizations via MasterCard Services--a first for Iraq.

15. (U) The new bank branches resulted from an idea proposed by the PRT Economic Advisor to bank officials, who recognized the opportunities of the improved security environment and were eager to expand their operations. The proposal also dovetailed with the IBIZ mission of making military facilities an economic asset for their surrounding communities. Setting up the new branches presented considerable logistical and administrative challenges, overcome by a committed team effort among the PRT, the bank, the IBIZ and the military administrators of the two bases.

16. (U) The mission of the IBIZ will continue beyond the U.S. military drawdown. Following the reduction of U.S. Forces in Iraq (USF-I) these two large bases will revert to Iraqi control and continue to operate, with large numbers of Iraqi military and support personnel. They will continue to be a major source of demand for services provided by IBIZ enterprises. Ensuring the sustainability of the IBIZ is an important part of the discussions between USF-I and incoming Iraqi commanders, who recognize the value of these businesses.

PRT INITIATIVES ENHANCE AG CAPACITY

17. (U) Agricultural "hoop houses", also known as "high tunnels" are low-cost, easily transportable greenhouses that provide off-season crops of fruits and vegetables and help to address the wide seasonal variation in food supply. They were introduced to Salah ad Din through a joint initiative between the PRT and the provincial Agricultural Task Force (ATF), a committee consisting of provincial officials, farmers' union members and engineers, after the ATF attended a PRT-sponsored hoop house demonstration in Jordan. Following their introduction in the province, hoop houses have become widely popular among farmers. There are now over Qhave become widely popular among farmers. There are now over a thousand hoop houses in Salah ad Din, fewer than two hundred of which were funded by coalition forces. This high growth rate has been aided in part by the commercial manufacturing of the hoops (or "ribs") at a metal fabrication facility in Samarra. Iraqis have also expressed strong interest to the PRT Econ Team in opening a local business to fabricate the plastic cover for these structures. Home-grown spinoffs of these formerly imported materials are a strong indication that Iraqis have adopted this technology as their own for long-term use in an expanding agriculture economy.

18. (U) A call-in radio talk show on January 2 in Tikrit featured a program discussing the new no-till drills being piloted in the Province. The speaker, the Director General of Agriculture Extension Services in Salah ad Din, identified the PRT as the prime mover in bringing this technique to the Province. Several callers expressed satisfaction with their initial results using the drills and gratitude for the chance to try the new technology. The PRT Agriculture Team is

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working to obtain more quantitative results from this first season of use in planting winter grain crops. With funding support from CERP, the PRT and ATF introduced no-till drills to improve planting efficiency and mitigate soil loss from erosion, and the University of Tikrit's College of Agriculture recently hosted a demonstration of the new machines for district-level agriculture representatives. Training partnerships with the University increasingly are an essential part of the PRT and ATF's outreach strategy.

19. (U) COMMENT. PRT successes in developing Salah ad Din's banking and agricultural sectors are making progress in building sustainable capacity. Modern payment methods and efficient agriculture are each, in their own way, essential building blocks for a modern economy. END COMMENT.
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